



MINUTES

Capital Projects Committee of the Legislative Council

December 11, 2001

MEMBERS PRESENT:

Senator John Jensen, Chairperson
Representative Chuck Gipp, Vice Chairperson

Senator Nancy Boettger
Senator Jeff Lamberti

Representative Betty Grundberg
Representative Pam Jochum
Representative Pat Murphy

MEETING IN BRIEF

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- I. Procedural Business.
 - II. Rebuild Iowa Infrastructure Fund and Tax-exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund.
 - III. Parking Structure Update.
 - IV. Miscellaneous Issues.
 - V. Written Materials Submitted to the Committee.
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Capital Projects Committee of the Legislative Council

I. Procedural Business.

Call to Order. The meeting was called to order by Chairperson Jensen at 10:20 a.m. on December 11, 2001, in Room 24 of the State Capitol.

Correction of Minutes. The Committee adopted two amendments to the minutes from the June 20, 2001, meeting of the Committee. Representative Grundberg moved that the following be added to the discussion regarding the siting of the state laboratory facility: "Representative Millage expressed his strong opposition to the decision to locate the facility in Ankeny rather than on the Capitol Complex. He stated that the Department of General Services completely disregarded legislative intent in making this decision." Senator Lamberti moved to amend the amendment by adding the following sentence to the end of Representative Grundberg's amendment: "Senator Lamberti stated he did not agree with Representative Millage's interpretation of the facts." The amendment to the amendment and the amendment were both adopted by the Committee by voice vote.

Adjournment. The Committee adjourned at 11:15 a.m.

II. Rebuild Iowa Infrastructure Fund and Tax-exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund.

Infrastructure Fund. Mr. Dave Reynolds, Legislative Fiscal Bureau, reported on the current and projected future financial status of the Rebuild Iowa Infrastructure Fund. Mr. Reynolds reviewed projections of the allocation of state wagering moneys and noted the estimated decrease in wagering taxes to be deposited in the Rebuild Iowa Infrastructure Fund during FY 2001-2002 and FY 2002-2003. He reviewed the estimated projections for the Rebuild Iowa Infrastructure Fund for FY 2001-2002 and FY 2002-2003. He noted that while the estimated balance of the Rebuild Iowa Infrastructure Fund for FY 2002-2003 shows a negative \$3.6 million, this number could easily change by shifting an estimated maximum of \$48.6 million of the appropriations to the tobacco securitization moneys dedicated to capital projects since certain projects would meet the tobacco securitization moneys spending requirements. Mr. Reynolds also reviewed the Restricted Capital Funds Account of the Tobacco Settlement Trust Fund.

Bonding. Ms. Nicole Haatvedt, Legislative Service Bureau, briefly discussed the requirements for the use of bond proceeds from the issuance of tax-exempt bonds. Ms. Haatvedt provided the spending schedule for the portion of bond proceeds allocated for qualified capital projects and attorney fees and noted that the term "spending," for purposes of the use of the bond proceeds, does not solely mean appropriating the proceeds. Ms. Haatvedt also discussed the 120 percent average economic life test for capital projects. The test provides that qualified capital projects to be financed must have average reasonably expected economic lives such that the weighted average maturity of the bonds will not exceed 120 percent of those average reasonably expected economic lives.

III. Parking Structure Update.

Mr. Dave Reynolds, Legislative Fiscal Bureau, also reported on the proposed parking structure at the northwest corner of Grand and Pennsylvania Avenues. Mr. Reynolds compared the cost of the state building the parking structure through the use of appropriated moneys, the state building the parking structure through the use of bond proceeds, and the state leasing a privately built and owned parking and office structure. Mr. Reynolds stated that the cost of the proposal by the Department of General Services to lease the office and parking space is more favorable in terms of cost to that of state ownership of the structure. Mr. Reynolds also noted the advantages and disadvantages of the lease proposal, which are included in the Issue Review document Mr. Reynolds submitted to the Committee.

IV. Miscellaneous Issues.

A. Metropolitan Medical Center. The Department of General Services stated that a report regarding the status of the Metropolitan Medical Center will be submitted to legislative leadership in the very near future.

B. Office of Citizens' Aide/Ombudsman. The Office of Citizens' Aide/Ombudsman announced that it has moved its offices into the Ola Babcock Miller State Office Building.

C. State Laboratory Facility. The Department of General Services provided the Committee with an update regarding the design and construction of the state laboratory facility. The department stated that the concept drawings have been completed and that the design development drawings will be completed next. The department stated that construction should begin in the summer of 2002 and that the building is currently on schedule and within budget.

D. Security. Senator Kramer addressed the Committee regarding security issues at the Capitol. Senator Kramer stated that security risks in the building have been identified and some measures have already been taken such as controlled access measures, new locks in the building, and airport-type security at certain building entrances. She stated that some of the details were still being worked out, but that public access to the building is still assured.

V. Written Materials Submitted to the Committee.

A. A document submitted by Mr. Dave Reynolds regarding the allocation of state wagering taxes, the Rebuild Iowa Infrastructure Fund, the Tobacco Settlement Trust Fund, and tobacco securitization.

B. A memorandum submitted by Ms. Nicole Haatvedt regarding expenditure of moneys in Tax-exempt Bond Proceeds Restricted Capital Funds Account of the Tobacco Settlement Trust Fund.

C. A document submitted by Mr. Reynolds entitled "Tobacco Securitization; Flow of Funds; Fiscal Year 2002."

D. An Issue Review submitted by Mr. Reynolds entitled "Parking Structure Construction Proposal."

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E. A document submitted by the Department of General Services entitled "Department of General Services; Parking Structure Update; Legislative Capitals Project Committee."

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